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*Happy
Holidays*

As we come to the end of another successful year, we would like to thank all our clients and friends and wish you Happy Holidays and a Happy New Year.

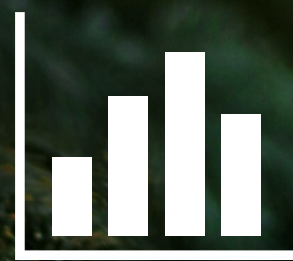
Here at Hilco, we have been delighted with continued expansion across all teams and the opening of a new office in Edinburgh. We have been fortunate to be engaged on varied and interesting case work and look forward to meeting up with everyone in 2024.



MACHINERY
& BUSINESS
ASSETS



INVENTORY



ACCOUNTS
RECEIVABLE &
INVENTORY
FIELD EXAM



REAL
ESTATE



INTELLECTUAL
PROPERTY

Sale Highlights



Brett Barton of BLB Advisory, Liquidator of Sassen Engineering retained Hilco to run an asset realisation programme of Sassen's machinery and business assets. The assets of the company included the UK's last rifle barrel manufacturing workshop and a modern CNC repetition turning shop. Following an accelerated sales and marketing process of the contents of the rifle making workshop, which contained some very rare rifling machines dating back to 1895, the assets were sold as a parcel for continued use. The remaining repetition turning assets of the company were sold by online auction which achieved excellent results.



On February 28th 2023 Peter Wastell and William Turner of Verulam Advisory were appointed as joint Administrators of Jarvis Contracting Limited. Hilco were engaged to assist the Administrators in securing the sites and to conduct an asset scheduling and valuation exercise across six property development projects where the company was operating as a main contractor, and the company's storage facility near Harpenden. Our responsibilities included overseeing site security, liaising with sub-contractors and other creditors as well as recovering machinery and business assets to the main premises in Bedfordshire. On May 4th 2023 a public online auction was conducted, with circa 400 lots including a Mercedes crane lorry, company cars, vans, telehandlers and a wide variety of site accommodation and other equipment. With over 200 registered bidders, total realisations were in excess of £400,000.



Hilco were appointed to act for the Administrators of Dunham Bush Limited in May 2023 and despite best endeavours it wasn't possible to find a buyer for the business as a going concern. In light of that, asset sales were conducted for certain equipment at best value prior to an online auction being conducted, a sale which attracted interest across Europe with over 25,000 sale page views. Further site management was provided for several months post auction to include stock and asset management, which resulted in a significant return to the Administration estate.

Sale Highlights



Chris Newell and Richard Easterby of Quantuma Advisory retained Hilco to run a sales and marketing process of a fully equipped non ferrous recycling facility located in Corby, Northamptonshire. The premises had been subject to a £5m investment to significantly enhance the site and install a state of the art recycling facility within the existing building. Our dedicated teams undertook valuations of the Real Estate and Machinery & Equipment assets, and a robust sales and marketing process was initiated. A number of competing offers were received and a transaction was completed to a third party operator, which required Hilco's detailed knowledge of both asset classes, in particular to negotiate an assignment of the leasehold interest, alongside a sale of the installed plant.



FRP Advisory Trading Limited were appointed over Union Distillers Limited and British Honey Company PLC in Spring this year. The companies operated out of several industrial units in the East Midlands and continued to trade for several weeks in order to successfully complete orders. Despite many of the Company's assets being sold pre auction there was still a significant quantity of production and bottling equipment that fell outside of the trade sale. Our auction management team coordinated the migration of equipment back into half the number of operational units whilst production was ongoing and prepared the assets for sale by online auction. A hugely successful auction attracted a buyer base primarily from the end user community with almost 4500 bids and over 99% of assets sold on the day of sale. All the trading units were cleared and passed back within a highly restrictive timeline to the satisfaction of all parties.



Hilco was retained by FRP Trading Advisory Limited to market the intellectual property (IP) assets of MAATS Tech Limited, a Company specialising in ship design for new building or conversion of specialist offshore vessels in subsea construction, diving, cable laying and flexible and rigid pipe laying. Recognising the potential beyond the Company's patent portfolio, we proactively identified and highlighted the value of the Company's trade secrets, including technical drawings and designs. By marketing this comprehensive IP portfolio, which attracted considerable interest from former customers and competitors, we received 10 offers for the IP assets following a competitive bidding process. Ultimately, a seven-figure deal was secured for the Company's IP portfolio, showcasing the importance of trade secrets in a business' IP portfolio. Hilco's successful sale of the MAATS Tech IP assets exemplifies the value of comprehensive IP analysis and underscores the significance of trade secrets in any IP portfolio.



Q&A With William Garrood, Graduate Surveyor

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We are thrilled to have William join us as a Graduate Surveyor within the Real Estate Advisory team. Thanks to Will for taking the time to do a Q&A with us!

1. What has been the most interesting part so far?

The thing I enjoy most about this job is the constant variety in my daily tasks, there is a lot of range in what I'm doing. This diversity keeps me engaged, allows me to learn new things every day, and provides opportunities for professional growth.

2. What have you found the hardest?

Initially, as the sole graduate surveyor on the team, I found myself challenged to assert my opinions amidst a group of experienced colleagues. However, I've been met with support and encouragement, which has given me the confidence to embrace mistakes as an integral part of the learning process. I now recognise that stepping outside my comfort zone is crucial for growth.

3. What top tip would you tell a new starter entering this industry?

Try and come into the office as much as you can, as you'll only learn when you surround yourself with your team, and it is hard to pick things up when you are working remotely.

4. What is the most unusual job you have worked on so far?

A rat jumping from a hole in the ceiling directly onto my shoulder isn't something that happens every day, but I was 'lucky' enough to experience that on one of my first inspections.

5. What is the most useful skill you have learnt to date?

The most useful skill I have learnt to date is being able to inspect and measure a variety of different properties.

6. How did you get into the industry?

Before joining Hilco I did a masters in real estate development. My dad being a surveyor probably had some influence on my decision to follow this path.

7. Has anything surprised you since joining?

I was surprised by the variety of work we do each day. Each job is very different from the next and that is refreshing.

8. What is the most remote site you've been to?

I'd say a residential valuation we conducted in Suffolk was the most remote site I have been to. It was approximately a twenty-minute drive to the nearest town.



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Q&A With Oliver Cheeseman, Appraiser

We are delighted to have welcomed Oliver Cheeseman as an Appraiser in the Machinery and Business Assets Team. Thank you Oliver for taking the time to do a Q&A with us!

1. What has been the most interesting part so far?

The most interesting part of the job so far has been the variety of assets I have seen which I never even knew existed!

2. What have you found the hardest?

The thing I have struggled with the most has been getting used to the technical terminology used. As I did not come from a financial services background, I had little experience with many of the concepts which are key to the role, however the team have been really helpful with explanations and clarifications where needed.

3. What top tip would you give a new starter entering this industry?

A top tip I would give to a new starter would be to learn from the more experienced colleagues as they are the best resource for improving your skillset.

4. What is the most unusual job you have worked on so far?

The most unusual job I have worked on is probably Volta Trucks. It was really interesting seeing all the electric heavy goods vehicles with their unique and bespoke designs.

5. What is the most useful skill you have learnt to date?

I think the most useful skill I have learnt since joining Hilco is how to deal with difficult situations. Given the nature of the job, I have often found myself faced with various problems, ranging from difficult conversations to Excel issues. My ability to think on my feet and come up with solutions has definitely improved and I have found this to be crucial to the job.

6. How did you get into the industry?

I was put in touch with Peter Atkinson, Managing Director and Kevin Smyth, Managing Director, through a recruitment agency.

7. Has anything surprised you since joining?

I think the trust which senior members of staff have had in me since I joined has been surprising. I have been given various responsibilities, ranging from drafting reports to leading client meetings and I believe this has been key in my development.

8. What is the most remote site you've been to?

The most remote site I have visited was Stoneywood Papermill in Aberdeen on my very first day with Hilco!

Case Study

Henry Construction Projects Limited ('HCPL')

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Background

On 8 June 2023, we received instructions to provide valuation and disposal strategy advice in connection with the machinery and business assets of Henry Construction Projects Limited (HCPL) following the appointment of Geoff Rowley and David Hudson of FRP Advisory as Administrators.

HCPL was incorporated in June 2010 and traded from leasehold premises at Parkway Farm, Church Road, Cranford, Hounslow, TW5 9RY.

Since 2010, HCPL operated as a high rise, reinforced concrete and multidiscipline construction contracting company employed by private developers and housing associations with a geographic focus predominantly in London and the South-East evolving to become one of the UK's largest privately owned main contractors with a projected turnover exceeding £400 Million prior to administration and involvement on over 60 live construction sites.

Over the years, the company experienced significant revenue growth due to the size of contracts it was undertaking and keen pricing with a focus on bigger building projects.

However, as a result of several factors, including a steep rise in construction and material costs linked to the COVID pandemic during 2021/22 impacting on fixed price contracts and the consequences of the Truss-Kwarteng 2022 minibudget, it became clear by first quarter of 2023 that substantial losses were wiping out the company's cash reserves and undermining their ability to complete contracts.

It is estimated that the company faced a 25 to 30% increase in costs of materials, labour and energy costs during this period.

With no further funding available and creditor supported winding up petitions being issued it was not possible to continue trading and therefore all ongoing works on all sites ceased on the appointment date. In many instances works had already ceased.

Our Role

Prior to the appointment, we prepared an initial desktop valuation of the assets from available information and reference to HCPL's fixed asset register on a pre-appointment basis to provide an outline view of potential recovery values in the event of an administration.

The existence of the petitions was widely reported in the construction industry press causing extreme difficulties with numerous subcontractors who were owed monies. We were made aware that HCPL mechanical plant assets had been removed prior to the administration from sites and, against the backdrop of fast-moving events, it was important for us to take immediate steps to secure the company assets in the earliest stages of our involvement.

HCPL's record keeping of their assets was deficient with no live data available to confirm which sites held equipment, no trackers on the larger equipment within the fleet and little information forthcoming from management to assist in the identification of machinery and equipment assets.



Case Study Continued...

As a result, all site owners were identified and contacted to advise of the appointment and seek confirmation that the sites and equipment therein were secured.

The dialogue between us and the developers provided an overview of assets at each of the sites and we arranged and coordinated visits to attend and physically identify equipment understood to be HCPL owned and subject to finance.

Mobilising our teams to undertake immediate site inspections at HCPL's Cranford Yard and the 50 plus development sites across London and the South-East provided information from which we were able to;

- Understand the nature, characteristics, specifications, capacity and status of the machinery and equipment assets within the estate
- Collate and secure assets to carry out site visits to catalogue the plant and liaise with Euro Auctions who we partnered with to assist with the collection of identified secured plant, catalogue and undertake sales by auction at the earliest opportunity
- Collate assets for private treaty sales to developers/new contractors, such as site accommodation and welfare units, cantidecks and tower cranes

- Provide a formal valuation and inventory of the assets identified, agree marketing process and assist with security and other aspects throughout
- Establish the position with regards assets on finance and arranging for assets to be returned to owners or included in sales as part of any asset disposal exercises by agreement in advance. The company held 41 separate Hire Purchase agreements with 17 different lenders for mechanical plant as well as scaffolding and formwork



The Assets

In terms of main items of mechanical plant within the fleet this consisted of;

- Excavators; minis to 22 tonners
- Dumpers; 1 ton to 9 ton
- Telehandlers
- Compressors; 2 and 3 Tool
- Generators; 65/70 KVA up to 330 KVA
- Rollers; ride-on tandems
- Lighting Towers

All kit by industry recognised OEMs, however condition status overall was found to be poor and varied in terms of age with very little less than 5 years old where HCPL owned.

Non-Mechanical plant primarily consisted of;

- Site Accommodation and welfare units
- Traditional scaffolding
- System type formwork

Accommodation and welfare units typically HCPL owned with numerous finance companies funding system type formwork and third-party claims from scaffolding contractors.

Case Study Continued...

“The Hilco team had a client-centric approach throughout the entire process from the initial valuation and disposal advice to completion. They actively sought input, ensuring the final outcome was a shared goal with exceptional results. The experience of the team was evident in their methodology, whilst the marketing strategy led to many interested parties and bids, resulting in a successful sale.”

David Hudson, FRP Advisory Trading Limited

The tower crane fleet comprised approx. 40 tower cranes of which approx. 50% held an interest as part of the administration. The balance was made up of third party hire or financed cranes.

The HCPL tower crane fleet was primarily city type luffing jib cranes manufactured by Jost, Comedil and Raimondi ranging in age from early 2000's in the main up to 2017.

Sale Outcome-To Date

Asset Sales;

- Cranford Yard; July 2023
- Online Auctions; August, September, October 2023
- Private Treaty Sales including Tower Cranes and Other Assets
- Remaining Assets including Tower Cranes and Other

Assets to be sold will result in approximately £2,000,000 net of VAT in terms of sale realisations before costs for the machinery and equipment assets.

Across the auctions to date we have sold:-

- 53 Excavators
- 22 Telehandlers
- 12 Concrete Pumps
- 21 Rollers
- 36 Dumpers
- 29 Generators

The majority of tower cranes owned by HCPL were erected on sites and others held in third party storage. A small number of cranes were sold directly to site owners as the projects are resurrected by new contractors and others to the incoming contractors and/or third parties by private treaty sales. Negotiations are ongoing to secure purchasers for the remaining elements of the crane fleet.

An independent specialist formwork and scaffolding agent has been instructed to undertake an audit of the HCPL stock and we await their findings with a view to assisting in sales in the first quarter of 2024.

We have provided continuous updates with regards to proceeds from the various auctions and series of private treaty sales with funds being reconciled and transferred by Hilco to the administrators at regular intervals.



Observations and Take-Aways

This has been a challenging case in many aspects including poor record keeping and issues relating to identifying assets at third party locations following the shut-down.

In addition, the condition of the equipment on inspection in overview was poor and there had clearly been little recent investment in acquiring new equipment or maintaining the existing fleet which had to be reflected when providing valuation advice.

We recognised the requirement to partner with Euro Auctions to assist us with the recovery of assets and this has been worthwhile given the levels of recovery achieved compared to initial expectations. Communication throughout the case with the client team, site owners, finance companies and other stakeholders has been constant and key to maintaining momentum in terms of focussing on the recovery and sale of assets to as broad a market as possible where circumstances permit.

Hilco's New Starters

Since August we've welcomed new starters across all teams; Simon Panter, John Monu, Finn Kelly, Thomas Johnson, Joanna Thompson, Victoria Booth, Eve Norman and Steve Kerr.

In the London office, John joins as Management Accountant in the Finance team, Thomas as a Trainee Inventory Appraiser in the Inventory team and Steve as Director of the Intellectual Property team.

In the Leeds office we have had various new members join our MBA team; Joanna joins as an Associate Director, Simon as an Appraiser and Finn as a Trainee Appraiser.

Eve joins the Glasgow office as a Sales Development Intern to the Intellectual Property team and Victoria joins the Edinburgh office, as a Marketing Administrator.

Welcome to the Hilco Family!



Simon



John



Finn



Thomas



Joanna



Victoria



Eve



Steve

Company News

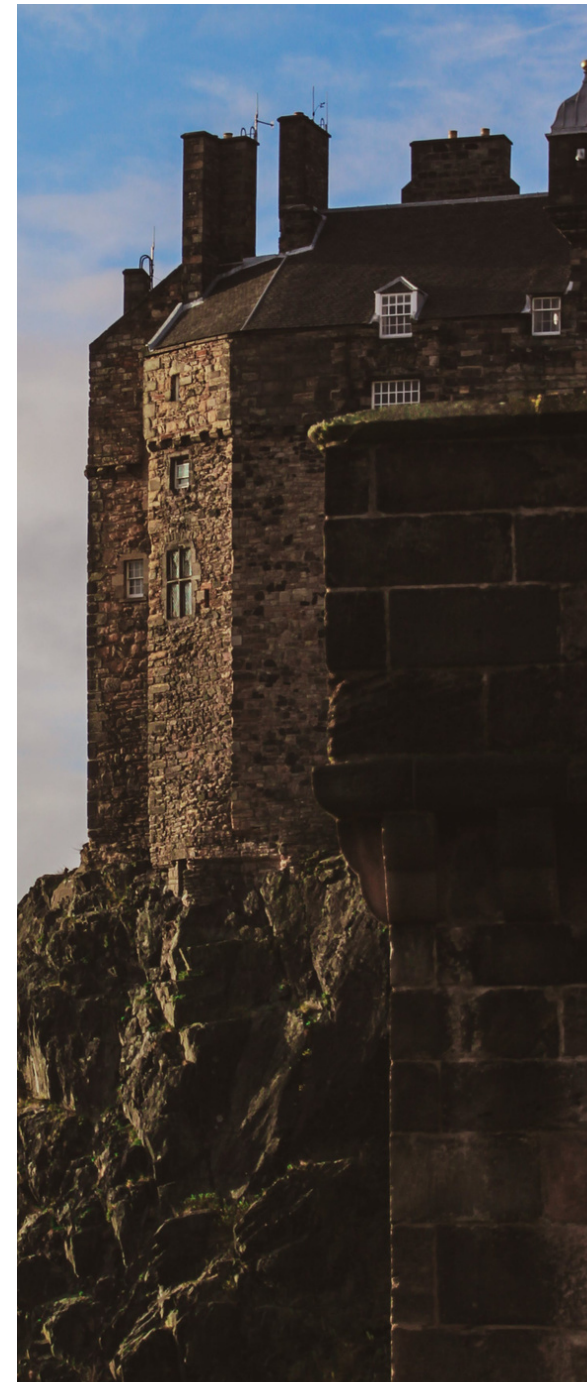
NEW EDINBURGH OFFICE

Hilco are thrilled to announce our continued growth within the Scottish market and the opening of a new Edinburgh office.

Hilco, which already has a Glasgow office, wants to better serve its extensive client base in Scotland, at a time that has seen an increase in enquiries for its wide range of advisory and brokerage services.

Over the coming months the Scottish team, which has previously focused on Intellectual Property and Machinery & Business Assets aims to provide its clients with the full suite of Hilco services including Real Estate Advisory, Accelerated Business Sales, Accounts Receivable and Inventory Appraisals; and will embark on a recruitment drive.

Scott Marriott comments: “Edinburgh is a significant centre for professional advisors and other financial institutions. We have a strong client base here, so being able to demonstrate that we’ve got a presence is an extremely positive move. Economic conditions continue to be challenging for a number of businesses across multiple sectors and our clients are increasingly seeking our specialist asset valuation and brokerage services as they explore solutions to their complex issues. Having people in the city means we can react quickly when help is required.”



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Company News

A Year in with Tim Salter

Hilco opened the Southampton office in Mountbatten House, Grosvenor Square in late November 2022, one year ago. As the team grows, we have had to move to a bigger suite in this fantastic and sociable office space, shared with clients and likeminded professionals in Southampton.

It has been an extremely busy first year with a mix of projects from construction companies to niche business sales, bankruptcies, ABL valuations and private client instructions.

Alfie Turner joined the Southampton team in August and has made great progress getting straight into site and office work from the start. He has met some of our clients on site or at networking events and I look forward to introducing him to others in the coming months.

Thank you for all the support so far from clients new and old on the south coast and beyond.

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We have enjoyed various events over the year. A few recent events include;

The Glasgow Brain Game 2023;

The Hilco team, clients and friends attended the Marie Curie's charity event, raising an impressive £195,000!

HVS Junior Networking Day

Our first junior networking day was held in London. Following a meet and greet, presentations and lunch an exciting escape room activity took place.

The RSM Annual Quiz Night;

Hilco had an enjoyable evening of quizzing fun at RSM's annual ABL quiz. Roll on next year, to see if we can improve our position of 5th out of 20 on the leader board!

TMA Network of Women Event

Our team members participated in an engaging, Christmas themed networking event. The event provided an excellent opportunity to connect with other female professionals.

Charity Updates



OUR 2023 CHARITY

Throughout the year via a range of events and exercise challenges, we were able to raise approx. £4000 for a well deserving charity, The Baby Bank. We wish them continued success in all the important work they do for the community.

BAKE SALE

We held a bake sale in our London office to fundraise for our chosen charity of 2023, The Baby Bank.

Everyone got involved through baking, eating and most importantly fundraising. The raffle to win a bottle of champagne helped to sell lots of fairy cakes!!



CHRISTMAS PYJAMA APPEAL



We were thrilled to have been able to support The Baby Bank's Christmas Pyjama Appeal, by providing over 50 sets of pyjamas. We hope our donation supports those families in need and helps to keep the magic of Christmas alive for their children!

BUSINESS FIVE'S CHARITY MATCH



We are pleased to announce our success in the Business Five's charity football match, where we raised crucial funds for The Baby Bank! We understand that every donation makes an impact, so setting up a Just Giving page has allowed us to support in making a difference. If you would like to donate, please click [here](#).

Well done to John, Thomas, Luke, Myles and David for their amazing effort during the game!

INTRODUCING OUR 2024 CHARITY

The Anthony Seddon Fund (TASF)

We are delighted to announce our chosen charity for next year, The Anthony Seddon Fund! TASF are a peer support mental health charity, providing a welcoming and safe environment for people to come and share their experiences and be heard. They also run various activities and group sessions.

